

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7101**

**BILL NUMBER:** SB 214

**NOTE PREPARED:** Jan 7, 2011

**BILL AMENDED:**

**SUBJECT:** State Use of Contingency Fee Counsel.

**FIRST AUTHOR:** Sen. Bray

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill requires the Attorney General to make certain determinations before entering into a contingency fee contract with a private attorney, and requires the Attorney General to publish certain information concerning contingency fee contracts on the Attorney General's web site.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** *Attorney General:* This bill requires the Attorney General to make a written determination that contingency fee representation is cost effective and in the public interest before entering into a contract. The bill also requires that copies of any executed contingency fee contract and payments of contingency fees are to be posted on the Attorney General's web site. The Attorney General's Office current level of resources should be sufficient to implement these requirements.

According to the Attorney General's Office, seven contingency fee contracts have been entered into since 2001. Only payments on two of those contracts have had to be made. One contract called for contingency fees of 33% of the first \$30,000 of recovery, and 15% for any amount collected that exceeded this amount. The other contract provided for contingency fees of 25% for the first \$500,000 of recovery, and 15% for any amount collected that exceeded this amount. Payments have been made on these contracts as follows: approximately \$15,000 in FY 2009; approximately \$1,200 in FY 2010; and approximately \$7,500 in FY 2011.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Attorney General.

**Local Agencies Affected:**

**Information Sources:** David Miller, Attorney General's Office.

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.